

Regional Transportation Authority

1986 Annual Report



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Mass transportation in the Chicago Metropolitan Area has come a long way since the introduction of horse-drawn trolleys in 1858. In fact, as one of the oldest and largest systems in the country, Chicagoland public transportation in 1987 is on the verge of charting a new course for itself — and perhaps for the entire United States mass transit industry.

The Regional Transportation Authority (RTA), the umbrella agency for three mass transit providers in Northeastern Illinois, has spent almost two years developing the most thorough and comprehensive strategic plan ever produced for a mass transit system. This blueprint for the future was crafted with foresight and vision, reflecting the movement of populations and jobs, improved modes of transportation, increasing costs and new financing methods. Certainly, careful thought and planning went into the early development of public transportation in this region. But times have changed, requiring new thought and planning. Clearly, the RTA Strategic Plan will provide this and more.

When the RTA was created in 1974, its purpose was to serve as a stable operating agency for mass transportation in the six counties of Northeastern Illinois. But politics and regional factionalism impeded financial stability and continuity, and by 1982, the RTA was on the verge of ending service. Financial woes forced the RTA to raise fares 50 to 100 percent, resulting in an immediate, systemwide, 30 percent drop in ridership. Fortunately, the Illinois General Assembly came to the rescue and, in 1983, legislators rewrote the RTA Act, restructuring the agency into a financial and planning oversight body.

The new Board of Directors took office in 1984 with one of its objectives being the implementation of a planning process that would enable the RTA to break away from the crisis-to-crisis management pattern of the past. And that's where we are today. The outstanding efforts of a responsible Board have brought that elusive stability and continuity to the entire system, charting a dependable course for the future.

Sound fiscal and budget policies adopted by the Board during these last two years have put mass transportation on stable financial footing. Ridership gradually is on the rise following the dramatic fare increases in 1981.

The future direction is clear and easy to identify, as the RTA takes ongoing measures to assure that the public transportation needs of the Chicago Metropolitan Area will be served into the 21st Century. With continued fiscal prudence and planning, I am confident that our transit system will help stimulate vibrant economic development and growth within the six-county region of Northeastern Illinois.

Samuel K. Skinner
Chairman

Cta

Metra
Metropolitan Rail

Pace

The RTA Board of Directors

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SAMUEL K. SKINNER has served as chairman of the Regional Transportation Authority since October 1, 1984. He was appointed by Governor James R. Thompson and is the only RTA chairman since the Illinois General Assembly restructured the organization in 1983.

Mr. Skinner is an attorney and partner in the Chicago office of the international law firm of Sidley and Austin. He previously served as U.S. Attorney for the Northern District of Illinois and as vice chairman of the President's Commission on Organized Crime.

Skinner received his undergraduate degree in accounting from the University of Illinois (Urbana) in 1960. While there, he received numerous honors including selection by Who's Who as one of the top 100 seniors, and designation as a distinguished military student.

He received his law degree from DePaul University College of Law in Chicago in 1966. While at DePaul, he was a member of the law review.

From 1960 to 1968, Mr. Skinner was employed in various marketing and managerial positions in the data processing division of the IBM Corporation.

In 1968, he was given a leave of absence from IBM to accept an appointment as an assistant United States Attorney for the Northern District of Illinois. He served in that office from 1968 to 1977 and was First Assistant under then U.S. Attorney James R. Thompson.

In 1975, Mr. Skinner was appointed by President Gerald R. Ford as United States Attorney for the Northern District of Illinois. At the time of his appointment, Mr. Skinner was the first career prosecutor in the history of the Northern District of Illinois to be named to that position. During his two-year term, Mr. Skinner also was a member of the Department of Justice White-Collar Crime Committee and the United States Attorney General's Advisory Committee.

Upon leaving full-time government service in 1977, Mr. Skinner joined the law firm of Sidley & Austin where he has a litigation, insurance and regulatory practice. However, he has continued to serve in various government positions on a part-time basis.



JERRY D. BOOSE was appointed to the original RTA Board in 1974 and has served continuously since then. His most recent reappointment to the current Board, as a representative of Kane, Lake, McHenry and Will Counties, was July 8, 1985. His term expires on July 1, 1990.

The St. Charles resident is a practicing attorney and partner in the St. Charles law firm of Shearer, Blood, Agrella and Boose.



CLARK BURRUS, representing the city of Chicago, was appointed to the RTA Board by Mayor Harold Washington on September 6, 1984, for a term ending July 1, 1988. He previously served on the interim Board from 1983 to 1984.

Mr. Burrus is senior vice president of the First National Bank of Chicago and also is a member of the Chicago Board of Education. In the late 1970s, he served as city comptroller under Mayors Richard J. Daley, Michael Bilandic and Jane Byrne.



PASTORA SAN JUAN CAFFERTY
was appointed by Mayor Harold Washington, September 6, 1984, to represent the city of Chicago. Her term ends July 1, 1987. Previously, Mrs. Cafferty served on

the original RTA Board from 1974 until 1977, as well as on the interim Board from 1983 to 1984.

She is an associate professor at the University of Chicago's School of Social Service Administration and also is the director of the Chicago Project. In addition, Mrs. Cafferty served on the board of directors of the now defunct 1992 Chicago World's Fair Authority.



WALTER H. CLARK
joined the RTA Board on September 1, 1986, following his selection as chairman of the Chicago Transit Authority. His CTA term expires July 1, 1988.

Mr. Clark recently retired from Citicorp Savings of Illinois as executive vice president and treasurer, after more than 30 years with the institution. Currently, he is with the investment brokerage firm of Bear Stearns, specializing in asset management and municipal finance.



CHARLES G. DALTON
was first appointed to the RTA Board on July 2, 1984, and subsequently reappointed June 10, 1985, by suburban Cook County Board members for a term ending

July 1, 1990.

Mr. Dalton, an attorney and resident of Homewood, is senior vice president of Chicago Title & Trust Company. He served as a member of the Chicago South Suburban Mass Transit District since 1971 and was its chairman from 1973 until 1984.



DAVID L. DEMOTTE
served on the RTA Board from 1979 to 1983, representing DuPage County. Following the 1983 reorganization, he was appointed by the DuPage County Board for a term beginning October 1, 1984, and ending July 1, 1989.

Mr. DeMotte resides in Glen Ellyn and is director of taxes for the Hyatt Hotel Corporation. He is a member of the Tax Executives Institute, the Illinois Society of Certified Public Accountants and the American Institute of Public Accountants.



SIDNEY DANOFF
was first a member of the RTA Board from 1980 until 1983. On May 14, 1984, he was appointed to the current Board by the chairmen of the Kane, Lake, McHenry and Will

County Boards for a term expiring July 1, 1989.

The recently retired Waukegan businessman was executive vice president of the Midland Division, Dexter Corporation of Waukegan.



KATHLEEN K. PARKER
was first appointed to the RTA Board in 1983, representing suburban Cook County. On July 2, 1984, Mrs. Parker was appointed to the new Board by suburban Cook County Board members, and reappointed July 1, 1986, for a term expiring July 1, 1991.

The Northbrook resident is a former Northfield Township Assessor and currently is associated with the real estate firm of Koenig & Strey in Northbrook.

Board Members



PHILIP RAFFE represented suburban Cook County as a member of the original RTA Board from 1979 to 1983. Following the reorganization, suburban Cook County Board members

appointed him to the new Board on October 1, 1984. On June 10, 1985, Mr. Raffe was reappointed for a term ending July 1, 1990.

The Niles resident has been the Maine Township Clerk since 1967 and is the owner of the M.P. Meat Company of Chicago.



JACQUELINE B. VAUGHN, president of the Chicago Teachers Union, was named by Mayor Harold Washington, September 6, 1984, to represent the city of Chicago, after

serving on the interim Board from 1983 until 1984. Her current term expires July 1, 1987.

Mrs. Vaughn served as CTU vice president from 1972 until becoming president in 1984. She also is a past vice president of the Illinois Federation of Teachers and of the Illinois State Federation of Labor.



WILLIAM D. WALSH was appointed to the original RTA Board in 1983, representing suburban Cook County. On July 2, 1984, Mr. Walsh was appointed to the new Board by

suburban Cook County Board members and subsequently reappointed July 1, 1986, for a term expiring July 1, 1991.

Mr. Walsh, a resident of La Grange Park, is a former member of the Illinois House of Representatives, having served for 20 years. Currently, he is a partner in P.M. Walsh and Company, a real estate and insurance brokerage firm. Mr. Walsh also sits on the board of directors of the Du Page National Bank.

Senior Staff



Theodore G. Weigle, Jr.

THEODORE G. WEIGLE, JR., has served as Executive Director of the RTA since September, 1985. He previously was Deputy General Manager of the Washington, D.C. Metro system and was Regional Administrator for the Urban Mass Transportation Administration.



John J. Gaudette



Joanne V. Schroeder



Laura A. Jibben



Edward D. Murnane

JOHN J. GAUDETTE was appointed Chief Financial Officer in June, 1986. He is a former executive of the Denver Regional Transportation District and is a nationally-recognized transit finance consultant.

JOANNE V. SCHROEDER, the RTA's Chief Planning Officer, has been with the RTA since November, 1975, and previously was Manager of Development Planning for the Chicago Transit Authority.

LAURA A. JIBBEN, the RTA's Chief Administrative Officer since February, 1986, previously was Manager of Toll Services for the Illinois Toll Highway Authority and Deputy Director to the Director of the Illinois Department of Corrections.

EDWARD D. MURNAKE, External Relations Director, joined the RTA in November, 1984. He is a former journalist, Congressional staff member and public relations consultant.



The Region: 3,700 Square Miles and 7.28 Million People

The Area

The area served by the Regional Transportation Authority encompasses 3,700 square miles with an estimated 1985 population of 7.28 million and employment of 3.33 million. Estimated 1984 total regional personal income was \$106 billion.

Of the Fortune Non-Industrial 500, 181 are located in the northeastern Illinois region. Despite a changing industrial climate, the Chicago region remains the transportation center of the country with the nation's largest railroad gateway and the busiest airport.

The People

The rate of population growth has continued to be strong in the collar counties and has reversed the prior declining trend in Cook County and Chicago. The region's population increased by 125,000 during the 1970s at an annual rate of 0.2 percent. For the five-year period 1980 to 1985, the region's population grew an estimated 0.5 percent annually.

The disaggregated population trends can be characterized as follows:

Chicago. The 1.1 percent decrease in population experienced between 1970 and 1980 slowed to 0.1 percent between 1980 and 1985. Data suggests that a slight increase may have occurred in recent years.

Suburban Cook County. For the last 15 years, the population has grown at a steady rate of 0.6 percent, with actual population gains in the 1970s of 123,000 and from 1980 to 1985, a gain of 63,000.

Collar Counties. The rate of population growth in DuPage, Kane, Lake, McHenry and Will Counties has slowed slightly in the 1980s dropping

from a 2.4 percent annual growth rate in the 1970s to a 1.2 percent rate between 1980 and 1985.

The Economy

Traditionally, the regional economy has specialized in export goods, both industrial and agricultural. During the last decade, rapidly rising oil prices, appreciation of the dollar in international markets, collapsing farm prices and increased global competition have resulted in a relative decline in the area's industrial base.

More recently, this decline has been reversed as falling oil prices and the decrease in the value of the dollar have lowered production costs. This has spurred demand for indus-

RTA would rank 21st among the nation's industrial firms on the basis of assets.

trial goods, resulting in increased employment and income in the region. The agricultural sector also has benefited, as the decline in farm income appears to be stabilizing.

As the region recovers from the economic downturn of the 1970s

and early 80s, the character of the region's economy is undergoing a fundamental change, as an increasing proportion of the work is in the service and trade sectors. The work force in service and trade sector employment accounted for 59 percent of jobs in 1985 compared to 49 percent in 1970.

Regional employment between 1970 and 1980 increased by approximately 340,000. During this period, on a subregional basis, there were employment increases in suburban Cook County and the five collar counties; the city of Chicago lost jobs primarily in the manufacturing sector. Since 1980, this trend has generally continued, although the rate of employment decline in the city of Chicago has slowed due to employment growth in the robust Central Business District. Recent suburban employment growth primarily has been centered in northwest Cook County, DuPage County, and the Fox River Valley in eastern Kane County.

In 1985, per capita personal income in the Chicago area increased \$800 compared to the national average increase of \$670. Chicago's income level is now \$15,300 or 15.5 percent higher than the national average.



A high-contrast, black and white photograph capturing a train in motion on a bridge. The train, appearing as a dark silhouette against the bright background, moves from the right side of the frame towards the left. It consists of several cars, with a prominent locomotive at the front. The bridge itself is a multi-lane highway with a complex network of ramps and overpasses, creating a dense web of lines that recede into the distance. In the upper right corner, a large, modern building with a grid-like facade stands prominently. The overall image has a stark, graphic quality due to its high contrast.

SOLO
YEAR

1986: A Year Of RTA Accomplishments

For the RTA, 1986 was a year of major accomplishments and major steps toward a sound and secure future. A variety of service improvements and operating efficiencies were implemented by the RTA and the Service Boards.

Highlighting 1986 was the intensive effort to develop for the first time an RTA Strategic Plan.

Strategic Plan

Although the physical plant of the RTA and its Service Boards is currently in reasonable condition, uncertainties in the external environment and increasing costs have mandated a look beyond the near future to determine what actions are needed to maximize the potential of public transportation service to the region.

Based on the magnitude of assets—\$13.6 Billion under direct RTA control—RTA is the second largest business in Illinois ranking behind AMOCO, according to the Fortune 500 Industrial.

Consequently, a major strategic planning study by Booz-Allen-Hamilton, Inc., has been recently completed.

The Strategic Plan focuses on new problems, goals and plans, laying the groundwork for the future of regional public transportation in Northeastern Illinois. As a result of this planning process and the inventory of assets which accompanied it, deferred and accruing capital needs, in excess of current resources, have been identified. The RTA is currently evaluating the consultant's recommendations for dealing with these shortfalls and will formulate an action plan in early 1987.

Other major 1986 accomplishments included:

Self-Insurance. In response to the increasing cost and decreasing availability of catastrophic insurance, the RTA initiated a joint insurance study with the Service Boards in 1986. The study resulted in an innovative approach to financing catastrophic losses through the capitalization of a \$50 million insurance fund. The RTA initially capitalized the fund through a \$40 million bond issue in November, 1986—the first long-term debt offering by the RTA. Further, RTA credit received an "A" rating from both the Moody's and Standard & Poors' rating agencies. This program will result in annual cost savings of \$12 million.

Suburban Bus Service Improvements. The RTA Strategic Plan has identified Pace as the Service Board with the greatest challenge and opportunity to expand its share of the travel market. Pace, because of its low market share and the anticipated continued expansion of the suburb-to-suburb and reverse commute markets, must experiment with new methods and technologies.

The most successful new service is the recently inaugurated Pace reverse commuter route from the CTA Cumberland rapid transit station to Schaumburg. This express route between Cumberland and Arlington Heights Road has already exceeded ridership expectations. It is fed by the CTA and Pace at the Cumberland station and Pace fixed-route and paratransit services in Schaumburg. The route also serves the high-employment corridor along Algonquin Road and Golf Road. Pace is now investigating the feasibility of similar reverse commuter routes.

Service Duplication Studies. Early in 1986, the RTA Board requested a review of Pace, Metra and CTA services which have apparent duplications. A study group, consisting of RTA, CTA, Metra, and Pace staff members, has systematically identified several candidates for review and analysis, and has made recommendations for the restructuring or elimination of service, as appropriate. To date, 20 studies have been completed. If all findings are implemented, cost savings will approximate \$1,800,000.



The RTA's Travel Information Center answers between 8,000 and 10,000 calls per day from riders seeking information about the system. In 1987, the TIC will be relocated and modernized.



Special Concern For Mobility Limited Riders

Special Services for the Mobility Limited.

Through service contracts with four private providers, the CTA's Special Services program currently provides an average of more than 1,800 rides per weekday. This represents an increase of 350 percent over mid-1985. Further, average operating costs per trip have declined by 59 percent, from \$29 to \$12, since the switch to private providers took place in mid-1985. In the 1987 budget, the RTA will provide \$9.6 million for the Special Services program, an increase of 46 percent over 1986 expenditures, to expand accessible paratransit service that will meet the steadily increasing demand.

Since November of 1985, the RTA has provided \$240,000 to fund Pace and CTA paratransit demonstration services between seven western suburbs and Chicago. Information gained from this demonstration will aid the Service Boards in designing permanent services for this important market.

In November, 1986, Pace expanded operations in Lake County with accessible fixed-route bus service in Waukegan. Twenty new lift-equipped buses and seven smaller accessible buses leased from the CTA were used. Pace also modified fixed-route and paratransit services in McHenry County to be 100 per-

cent accessible, using smaller lift-equipped transit buses on the fixed routes and accessible equipment in the paratransit services. Approximately three-fourths of the original \$1 million grant to fund these projects remains and will ensure their continuation through 1987. In addition, in 1986, the state of Illinois provided \$500,000 to fund research and development costs for a feasibility study of an accessible commuter rail car that will be carried into the 1987 budget. In a related project, the RTA budgeted \$100,000 in 1987 for the provision of alternative service in rail corridors for the mobility limited.



Southwest Rapid Transit Line Underway

Construction of Southwest Rapid Transit Line.

In July, 1986, UMTA and the city of Chicago entered into a full-funding contract of \$410 million for construction of the Southwest Rapid Transit Line. When completed, this line, consisting of nine stations over 9.3 miles, will provide high-speed transit service in the southwest corridor from the Chicago Loop to Midway Airport. Since most of the route will utilize existing railroad right-of-way, residential and commercial displacement will be minimal. Project completion is expected by September, 1991.



Improved Commuter Rail Service.

In 1986, service changes initiated on the Metra/Rock Island District (RI) included the addition of a weekday evening train, which resulted in the availability of hourly service after the evening rush hour. A schedule revision also was implemented on the RI resulting in additional rush hour service south of Blue Island.

In March, 1986, on the Milwaukee District West Line, Metra extended service to the new Big Timber Station approximately three miles west of Elgin. Initially, service is being pro-

The RTA serves six counties with a combined population of over 7.1 million people—greater than the population of 42 of the 50 states.

vided on a limited basis with two daily trains in each direction. A comprehensive study of service and schedule characteristics is underway on the Milwaukee District with schedule revisions to be implemented by early 1987. The aim of this study is to provide improved service, including express trains, to high volume stations.

Pace Suburban Bus Garages. In 1986, Pace completed a new West Division garage in Melrose Park and put the finishing touches on a South Division garage in Markham. These two facilities are part of an ambitious program to build and/or renovate nine bus garages for the Pace fleet.

Fare Changes. All three Service Boards implemented fare increases in 1986. The increases reflect the RTA's emphasis on assuring the public that the system is operated on a fiscally sound basis and continues to meet the mandated 50 percent systemwide recovery ratio.



Other Planning Initiatives

Besides the major strategic planning effort discussed earlier in this document, several planning studies are underway. Briefly, these planning studies are:

Transit Options Study. During 1987, the RTA and Pace will explore innovative approaches to develop cost-effective transit service for the rapidly growing suburban travel market. The draft strategic plan identifies the suburbs as a major potential market for transit. The plan recognizes, however, that experimentation with new and creative approaches that will improve mobility in suburban areas is essential in an area where traditional approaches have proven inadequate.



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Strong Emphasis On Suburban Activities

Mobility Workshops. The RTA has joined forces with DuPage County and suburban Cook County to host two separate mobility workshops in the spring of 1987. The workshops are designed to address the growing problems of traffic congestion and movement in these developing suburban areas.

With the cooperation of area business leaders and elected officials, RTA and county organizers seek alternative approaches to current and future problems. It is hoped that these high-visibility gatherings can attract the interest and attention of both the public and private sectors, alerting them to the implications of traffic growth and congestion.

The Urban Land Institute (ULI), a non-profit institution based in Washington, D.C., is contracted to organize the workshops. The ULI is nationally recognized as a respected source of analysis and information on urban planning, growth and development. In consultation with RTA and county organizers, the ULI selects a distinguished panel of experts consisting of developers, planners and transportation specialists. Panel responsibilities include:

- Conducting "on-site" interviews with relevant public and private sector officials to obtain local input about transportation concerns.
- Presenting its preliminary findings, conclusions and recommendations at a one and one-half day invitational workshop.
- Submitting to the host organizations a written report of its findings within two months of the workshop.

Through these workshops, RTA and county officials hope to head off potentially serious problems and deficiencies that could adversely affect the development, economic climate and living quality of these suburban growth centers.

Energy Conservation. The second phase, a bus garage energy conservation study, was initiated earlier in 1986. The purpose of the study is to develop an energy use monitoring system to refine energy conservation measures at selected garages, to examine possible changes in the city of Chicago building code which might enhance energy use, and to refine the tools for predicting the impact resulting from prescribed conservation measures. This study should be completed early in 1987.

Tri-State Corridor. The RTA has completed a demand analysis for 14 rail and bus alternatives in the Tri-State Corridor (West Suburban Cook and Eastern DuPage Counties). Based on these analyses, one rail and three express bus alternatives have shown sufficient ridership demand that warrants further detailed study. The rail alternative will be further refined using the resources of the Chicago Area Transportation Study (CATS) and the University of Illinois-Champaign. The bus alternatives will be examined by the RTA and Pace staffs to determine new express bus service opportunities within the corridor. These efforts will culminate in recommendations, as appropriate, which can be considered for the New Initiatives component of the Strategic Plan.

Lake-Cook Station Development. This project, initiated in 1983, is entering the implementation phase with the planned acquisition of a station site and related commercial or office development of the southwest quadrant of the Lake-Cook Road/Milwaukee Road North Line intersection. It is envisioned that a rail station with parking and feeder bus facilities will be developed with subsequent joint commercial development activities initiated as appropriate.

Downtown Circulation System. In 1987, the RTA will move ahead with plans for developing a circulation system in downtown Chicago which would link Metra's terminals with expanding employment and commercial centers in the loop and North Michigan Avenue areas. Such a system is recommended in the draft of

The daily ridership of all RTA services is greater than the population of 19 states.

the Strategic Plan to ensure that Metra retains its market share of CBD-oriented work trips at a time when the CBD is expanding and travel from the terminals to the various CBD work sites and commercial areas takes increasingly greater time due to congestion. The RTA will work with the CTA, Metra, the city of Chicago and the private sector to promote the need for a circulation system, develop route alternatives and explore funding alternatives.

New Initiatives for 1987

The 1987 RTA Budget encompassing each of the Service Boards' budgets, includes a variety of new initiatives designed to improve the level and quality of service provided for the region. Some highlights of the proposed budgets are as follows:

Expanded Suburban Bus Service. Pace has proposed several service improvements for FY 87. The proposal contains two new routes: Roosevelt Road from Wheaton to Oak Brook, and University Park to Lincoln Mall. Other changes include additional buses and/or weekend service on existing routes. Implementation of any of the services is dependent upon the removal of existing services which perform poorly.

Metra Moves Toward ICG Acquisition



Illinois Central Gulf Rail Acquisition. Metra recently completed the step necessary to purchase the Illinois Central Gulf's electric commuter rail line between Chicago and University Park. The purchase is expected to save at least \$2.8 million a year in operating costs. This is the first instance in which the region has purchased a going concern rather than taking assets out of a bankruptcy proceeding.

While not a part of the acquisition, Metra will assume direct operation of the ICG's diesel commuter line between Chicago and Joliet, paying the railroad a fee for use of the tracks.

Commuter Rail Service Improvements. In 1987, Metra proposes a study of service provided by the Chicago and Northwestern (C&NW) in response to demand for improved service to high volume stations. As part of this study, Metra will review

With total revenues in excess of \$1 Billion, RTA would rank 35th in Illinois and 319th in the U.S. as a Fortune 500 Industrial.

the feasibility of closing the Gladstone Park (Northwest Line) and Kedzie (West Line) stations, as passenger boardings at these stations may not warrant the continuation of service. On the Norfolk and Western (N&W), funds budgeted in 1986 for increased service levels will be carried over to 1987 while Metra continues to negotiate with the N&W for the right to operate additional peak and/or off-peak period trains. On the Burlington Northern, the addition of one mid-day train in each direction is being considered to fill an existing service gap.



Accessible Rail Car Study. In 1986, the RTA was awarded a \$500,000 grant from the Illinois Department of Transportation for a Metra engineering study aimed at developing a rail car which would be accessible to handicapped riders. This study is to be initiated in 1987 and is the first step to determine the feasibility of introducing accessible rail cars into the Metra fleet.

CTA Security Program. For 1987, the CTA has budgeted \$5 million to implement a security program on CTA buses and rail cars. This program is a carryover from 1986 when the RTA appropriated the necessary funds.

Improved Vehicle Maintenance. The CTA budget proposal for 1987 includes funding of \$6.2 million for improving vehicle maintenance of buses and rail cars. This is a phased program which the RTA will monitor for cost-effectiveness and maintenance performance.

West Side Rail Study. The CTA will begin a study of service and capital options for the three West Side rapid transit lines. This study, which will involve condition assessments of all facilities and the analysis of various capital and service options, will ensure the cost effectiveness of future capital renewal efforts in this corridor.

Paratransit Demonstration Projects. Two paratransit demonstration projects are proposed for RTA funding in 1987. These projects involve services in DuPage County and in Hampshire Township in Kane County. In DuPage County, planning effort will be undertaken to determine the feasibility of intertownship paratransit services for mobility limited residents. Currently, the county's mobility limited residents have paratransit serv-

ices available only within local townships and municipalities which sponsor paratransit services. Consequently, travel outside of these political boundaries is either not possible or involves multiple transfer arrangements. The RTA will work with Pace and DuPage County to determine the need for a countywide service. Subsequent efforts, if warranted, will be directed at designing the service, seeking qualified operators and funding the service on a demonstration basis.

In an effort to test the effectiveness of paratransit services in a rural area, the RTA and Pace will assist Hampshire Township to initiate its paratransit services in 1987. The township has purchased a vehicle and has passed a referendum which will provide local tax support for the paratransit service in 1988. Pace is to provide its technical expertise to assist the township. The RTA will provide funds to the township, via Pace, should operating funds be required in 1987.

Metra Parking Study. In 1986, Metra initiated a two-phase study of commuter parking facilities throughout the Metra system. The first phase of this study, which is being conducted by consultants, is currently underway. It involves the systemwide inventory of commuter rail parking facilities and a preliminary assessment of their use and conditions. The second phase of the study will involve a comprehensive internal study of parking problems, opportunities and options. Included in this phase of the study will be an analysis of market research data, examination of policies used in other cities, the use of feeder buses, and joint use parking and pricing strategies to manage parking demand. The second phase of the study is expected to be completed by the end of 1987.



RTA Revenues: Exceeding \$1 Billion

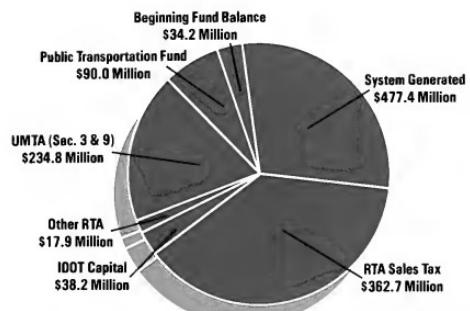
With total revenues in excess of \$1 billion, the RTA would rank 35th in Illinois and 319th in the U.S. as a Fortune 500 Industrial. Thus, it has a major untapped potential for constructive use of debt financing.

Current RTA sources of revenue are:

- **System Generated Revenues** (38.4 percent of the total) by law must equal or exceed 50 percent of total operating expenses.
- **The RTA Sales Tax** (29.2 percent of the total) is authorized by Illinois statute and imposed by the RTA as a municipal corporation.
- **Public Transportation Fund** (7.2 percent of total) is keyed to 25 percent of RTA Sales Tax receipts and therefore grows with inflation. The RTA Act provides that "the state pledges to and agrees with the holders of bonds and notes of the Authority...that the state will not alter the basis on which state funds are to be paid to the Authority..., or the use of such funds, so as to impair the terms of any such contract."
- **UMTA Funds** (20.8 percent of total) will likely continue at present levels.
- **IDOT Capital** (3.1 percent of total) represents state of Illinois participation in Northeastern Illinois mass transportation as part of a state-wide program dating back to the enactment of the Transportation Bond Act of 1971.
- **Other RTA** (1.3 percent of total) largely depends on the ability of the RTA and its Service Boards to invest idle cash balances. It should decrease from current levels through more efficient cash management.

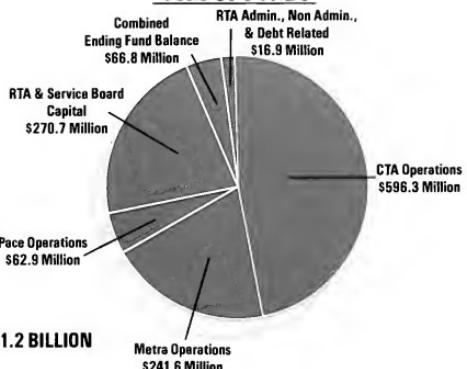


SOURCES OF FUNDS



TOTAL = \$1.2 BILLION

USES OF FUNDS



The 1986 and 1987 Financials

(In Thousands of Dollars)

SOURCES OF FUNDS

	1986 UNAUDITED	1987 PROPOSED
Beginning Fund Balance	\$ 34,171	\$ 66,796
Public Funds		
Sales Tax	362,700	381,900
PTF	90,000	94,000
UMTA Program		
Operating	56,286	52,000
Capital	178,500	192,000
IDOT	38,208	36,200
Other Funds	4,940	227
Investment Income & Other	12,943	10,080
System Generated Revenues	477,365	479,893
Total Sources of Funds	\$1,255,113	\$1,313,096

USES OF FUNDS

	1986 UNAUDITED	1987 PROPOSED
Operations		
CTA	\$ 596,273	\$ 631,430
METRA	241,639	257,522
PACE	62,926	68,716
RTA		
Administration	4,850	4,813
Non-Administration	4,256	10,162
Debt Related	7,567	8,433
Capital Expenditures		
UMTA Program	178,500	192,000
IDOT	38,208	36,200
RTA Program		
CTA	29,184	22,585
METRA	19,051	25,975
PACE	5,402	1,965
RTA	210	1,200
Service Board Program Reserve	0	19,710
Other	251	0
Ending Fund Balance	66,796	32,385
Total Uses of Funds	\$1,255,113	\$1,313,096

ENDING FUND BALANCE DETAIL

CTA	\$24,161	\$ 835
METRA	\$18,786	\$ 589
PACE	\$ 6,437	\$ 5,961
RTA	\$17,412	\$25,000

RECOVERY RATIOS

CTA	54.50%	51.20%
METRA	56.34%	53.82%
PACE	30.83%	29.32%
SYSTEM-WIDE	53.78%	50.44%

Recovery Ratio: RTA Is Highest In U.S.

The 1983 reorganization was primarily focused on ensuring that the RTA could maintain a high quality of service while retaining a traditionally high revenue-to-cost ratio. In reorganizing the RTA, the state legislature required that a recovery ratio of 50 percent be maintained in any budget adopted by the Board. A recovery ratio is the amount of operating budget funds which are derived from farebox revenues.

The RTA recovery ratio has consistently outperformed a national peer group of all transit systems with greater than 1,000 buses. Since the RTA was reorganized in 1983, this system has maintained its high recovery ratio, while instituting a program of regular, moderate fare increases. This performance reflects both state and local commitment to maintaining fiscally sound management of the system.



Attracting riders to the RTA system is a non-stop effort and the three operating divisions utilize a variety of effective means to do so.

The RTA: A Lean, Efficient Oversight Body

The Regional Transportation Authority was formed in 1974 "...to provide for, aid and assist public transportation in the northeastern area of the state, consisting of Cook, DuPage, Kane, Lake, McHenry and Will Counties." Geographically, this area is approximately the size of the state of Connecticut. In 1981, the RTA began to experience significant financial difficulties due to rising deficits which outstripped the available funding. This crisis ultimately led to a dramatic restructuring of the RTA Act in 1983, and subsequent reorganization of the RTA.

The RTA is now exclusively responsible for fiscal policy oversight of public transportation in Northeast Illinois. The actual operation of

RTA ridership represents almost 10 percent of the entire transit ridership in the U.S.

transit service is the responsibility of the RTA's three service boards—the Chicago Transit Authority, the Metra Commuter Rail Division and the Pace Suburban Bus Division.

Virtually all public funding for transit flows through the RTA, both for operations and for capital purposes. Funds that are not directly distributed by the RTA (such as farebox revenues) are still subject to RTA budgetary controls. The major purpose in reorganizing the RTA was to exert tight controls on the cost of public transit and, under the amended statute, ensure that the region as a whole recovers at least 50 percent of its operating costs from "system-generated revenues."

The RTA is a small, efficient organization of 72 persons and is comprised primarily of professionals organized into four functional areas under the leadership of the Executive Director. The remaining senior staff positions are as follows:

- The Chief Financial Officer is responsible for the capital and operating budgets, and for all financial activities of the RTA.
- The Chief Planning Officer is responsible for system planning and development, and for fare and service demonstration projects.
- The Chief Administrative Officer is responsible for all internal support functions of the RTA and for outside legal support.
- The External Relations Director is responsible for state and federal legislative liaison, Urban Mass Transportation Administration contact, local government coordination, and public relations and consumer information.





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